

Resurgence Wage Subsidy and change to Leave Support Scheme

Yesterday, 17 August 2020, the government announced a new Wage Subsidy Scheme and changes to the current Leave Support Scheme, to "cushion the blow" for businesses in light of the recent move to Alerts Levels 2 and Level 3 across the country.

Resurgence Wage Subsidy

The Resurgence Wage Subsidy is a two week payment and businesses can apply from 21 August 2020 until 3 September 2020. Employers can only apply where their employees are not already covered by either the Wage Subsidy, the Wage Subsidy Extension, or the Leave Support Scheme.

The new scheme applies nationwide, in recognition of Auckland's position in the New Zealand economy.

The criteria is the same as previous schemes: businesses who have had, or expect to have, a revenue drop of 40% because of COVID-19, for a 14 day period between 12 August to 10 September, compared to a similar period last year, will be eligible. The payment rate is also the same: \$585.80 per week for full-time employees and \$350 per week for part-time employees.

Previous obligations around mitigating financial impact and retaining employees for the duration of the subsidy period, still apply.

Leave Support Scheme

Currently, businesses must have experienced either a 30% decline in actual or predicted revenue due to COVID-19, or had their ability to support their employees negatively impacted due to COVID-19 to be eligible for assistance with wages when an employee cannot work due to the need to self-isolate. The

revenue test and 'negatively impacted' test will be removed from 21 August 2020.

The Leave Support Scheme is available to businesses where an employee:

- has tested positive for COVID-19; or
- has come into contact with someone who has COVID-19 and must self-isolate for 14 days (as required by Ministry of Health guidelines); or
- is at higher risk if they get COVID-19, and Ministry of Health guidelines recommend they stay at home; or
- has household members who are at higher risk if they get COVID-19 and the Ministry of Health recommends the employee also remains at home to reduce the risk to them.

The payment rates are the same as for the Wage Subsidy, for a four week period.

The Finance Minister has said the changes to the Leave Support Scheme are to help remove barriers to a person getting tested for COVID-19, including fears that a positive result would mean they wouldn't receive income if they couldn't work because they had used up their sick leave.

Full details of the Resurgence Wage Subsidy and Leave Support Scheme can be found on the Work and Income [website](#).

Want to know more?

If you have any questions about the Resurgence Wage Subsidy or Leave Support Scheme please contact our specialist [Employment](#) Team.